# The Real Estate ANALYST

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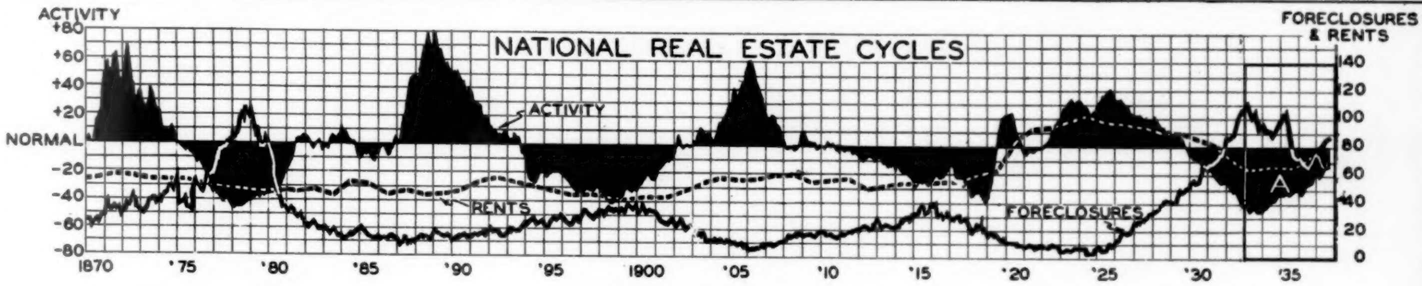
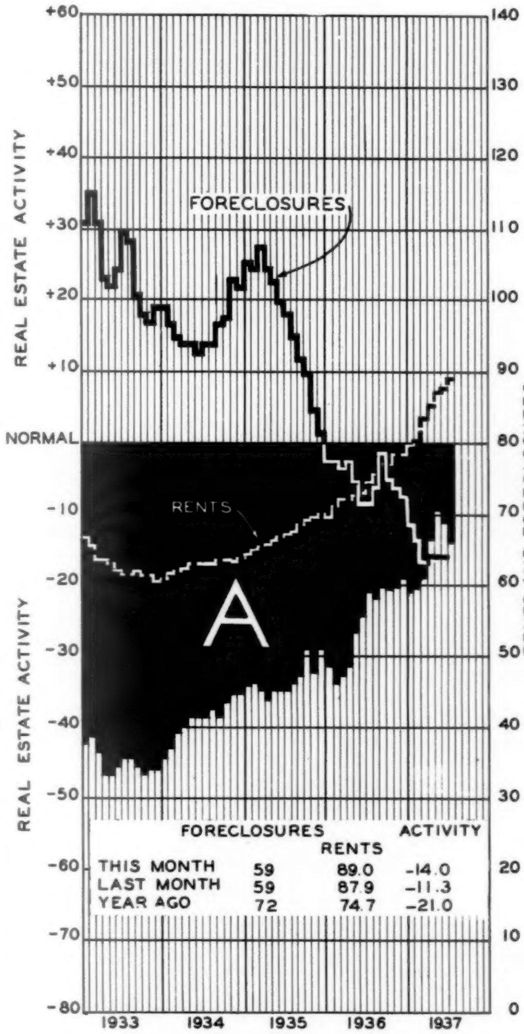
Editor

A concise easily digested monthly analysis based upon scientific research in real estate fundamentals and trends...Constantly measuring and reporting the basic economic factors responsible for changes in trends and values...Current Studies...Surveys...Forecasts




Real Estate Economists, Appraisers and Counselors



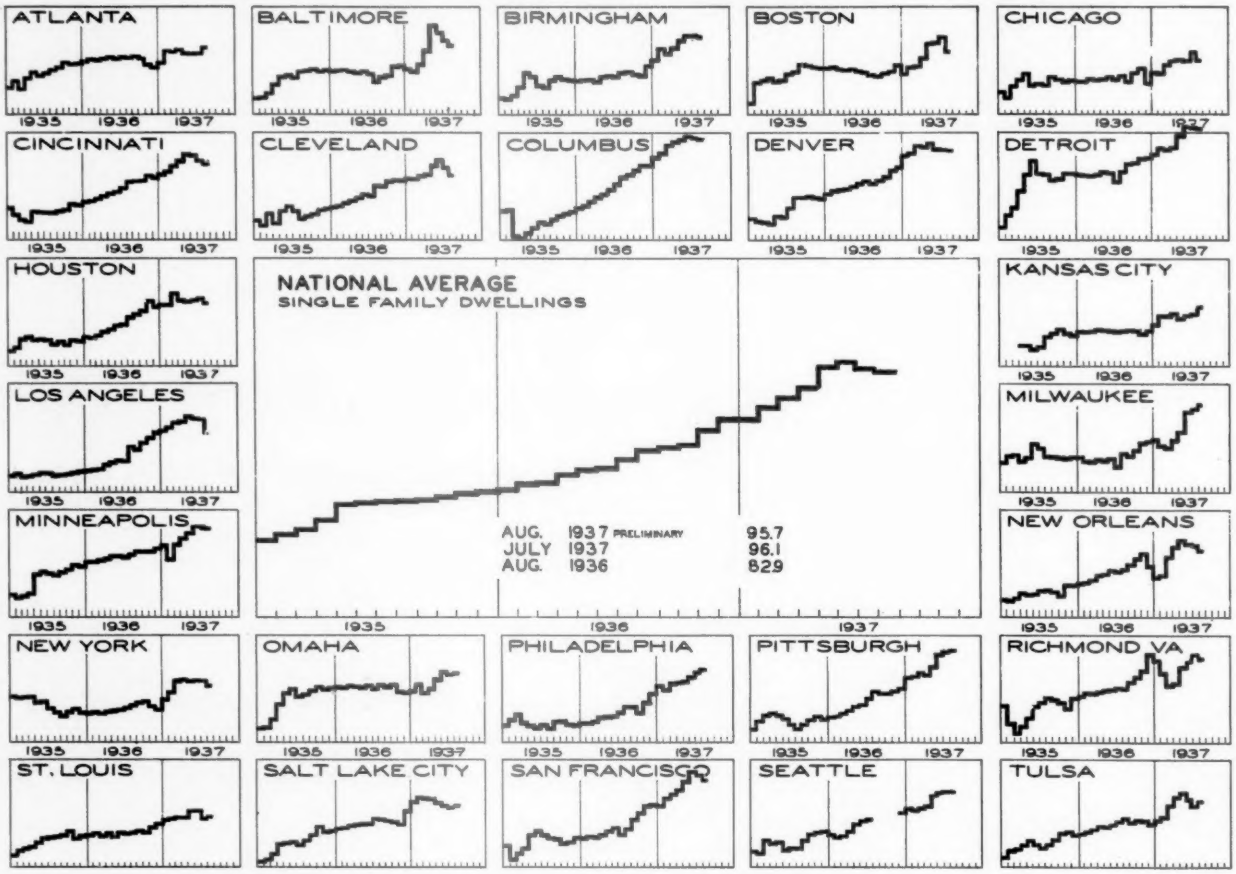




THE chart above shows the fluctuations of urban real estate activity, foreclosures, and rents in the United States from 1870 to the present. The chart to the left is the last five years of the upper chart enlarged to show monthly fluctuations. This chart is explained in detail in the article starting on page 632 in the November issue.

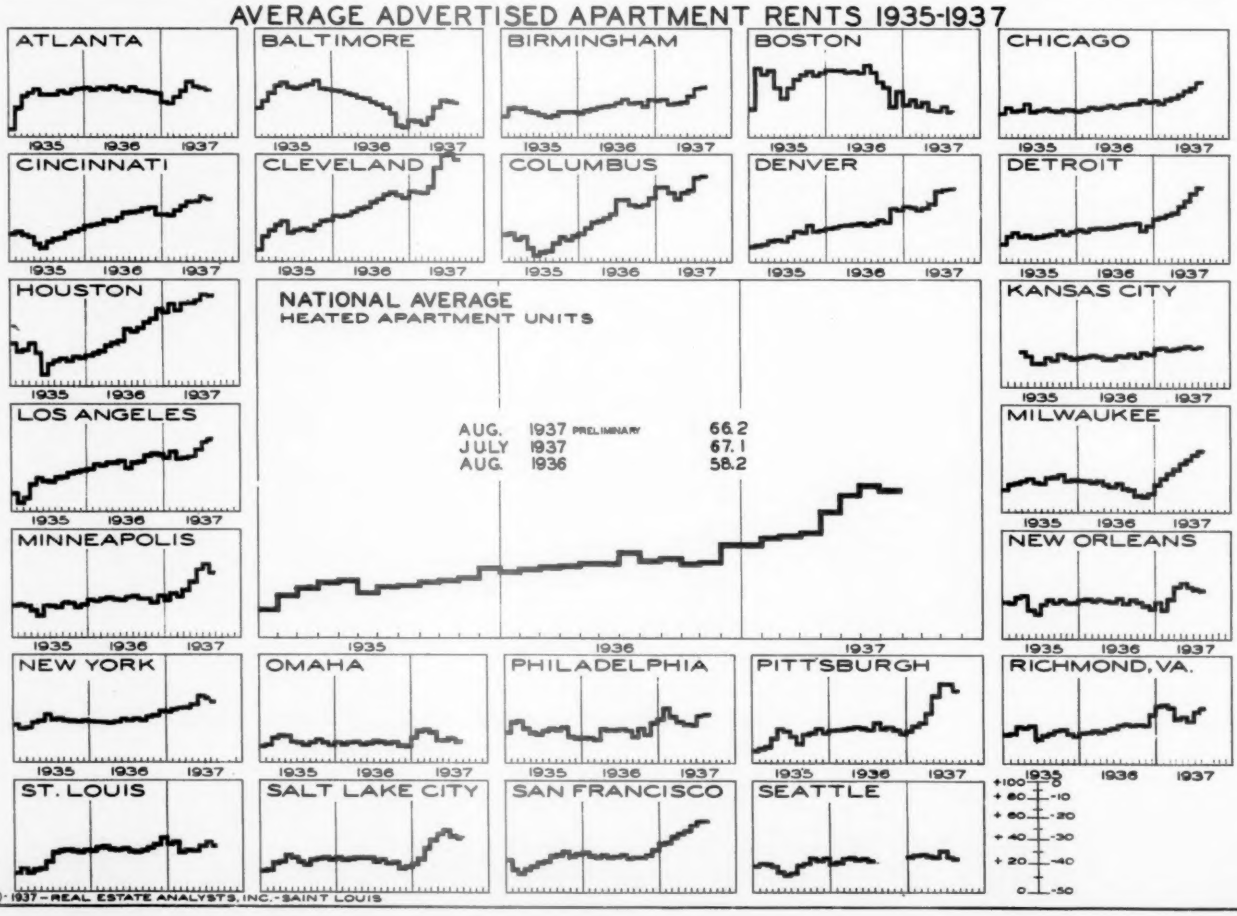
The month of July was not very satisfactory from the standpoint of real estate. The recession which started in May continued at a rather accelerated rate. Real estate sales fell off in practically every large city in the United States. The number of new family accommodations produced per 10,000 families dropped by more than 43% from the level maintained this spring. Construction cost eased off just a trifle during the last couple of months, but not by a sufficient percentage to stimulate new building. Residential rents made a very satisfactory showing, advancing again on our index by a sizeable percentage. Foreclosures also continued at the relatively low level they have reached in the last few months.

The recession in the general real estate barometers is due primarily to two things: the political and labor uncertainty and the business recession which has accompanied it, and the increase in building cost. Neither of these factors will have a permanent effect on real estate. The less new building going forward, the more intense the shortage will become and the higher rents and values will go on older properties. Hesitancy, however, in general business, and particularly labor troubles, will prevent the rapid expansion in demand which would otherwise take place and will undoubtedly slow the recovery in real estate during the next few months.

## AVERAGE ADVERTISED SINGLE FAMILY DWELLING RENTS 1935-1937




## AVERAGE ADVERTISED APARTMENT RENTS 1935-1937



# ADVERTISED RENTALS ON DWELLING UNITS

REAL Estate Analysts, Inc., computes the average advertised rent of single family dwelling and heated apartment units each month in the twenty-six metropolitan areas listed below. The figures given are average rents per month per room for all units of each type, large and small, advertised in the classified columns of the leading newspapers of each city. The figures given below, unlike the figures which appeared in earlier issues of The Real Estate Analyst, have been adjusted for seasonal fluctuation, as we have found some regular seasonal fluctuation in our advertised rental prices.

The average rent per month per room of all places advertised will vary considerably from month to month due to the inclusion some months of a larger number of either high or low priced units. The charts on the opposite page show these figures adjusted for seasonal fluctuation, city by city, with large composite charts showing the average fluctuations in principal cities. Advertised rents represent not what properties are actually renting for, but what the owners of the properties believe they will bring. After some adjustment in periods of depression for bargaining between the landlord and the tenant and for other concessions, we are convinced that these rents represent roughly the levels at which properties are being rented currently. The last figures are preliminary, based on the advertisements appearing during the first two weeks of the month.

## SINGLE FAMILY DWELLINGS

| | 1935 Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|
| Atlanta | $5.91 | $6.33 | $6.54 | $6.43 | $6.52 | $6.66 | $6.75 | $6.97 | $6.91 | $6.93 |
| Baltimore | 5.19 | 5.46 | 5.77 | 5.81 | 5.71 | 5.98 | 5.99 | 6.03 | 5.91 | 5.99 |
| Birmingham | 4.57 | 4.80 | 5.27 | 5.11 | 4.85 | 4.80 | 5.01 | 5.12 | 5.05 | 5.03 |
| Boston | 6.83 | 6.99 | 6.85 | 6.89 | 7.19 | 7.27 | 7.61 | 7.58 | 7.45 | 7.40 |
| Chicago | 9.05 | 9.40 | 9.77 | 9.11 | 9.21 | 9.11 | 9.55 | 9.45 | 9.36 | 9.39 |
| Cincinnati | 7.48 | 7.35 | 7.76 | 7.83 | 7.82 | 7.81 | 7.90 | 7.93 | 8.23 | 8.19 |
| Cleveland | 7.73 | 7.29 | 7.87 | 8.10 | 7.86 | 7.43 | 7.70 | 7.73 | 7.92 | 8.00 |
| Columbus | 4.63 | 4.54 | 4.75 | 4.88 | 5.07 | 5.01 | 5.16 | 5.26 | 5.38 | 5.40 |
| Denver | 5.08 | 5.00 | 5.24 | 5.23 | 5.53 | 5.90 | 5.90 | 5.99 | 5.93 | 5.89 |
| Detroit | 6.74 | 7.52 | 8.34 | 9.13 | 8.40 | 8.35 | 8.10 | 8.18 | 8.42 | 8.42 |
| Houston | 7.19 | 7.25 | 7.17 | 7.18 | 7.11 | 6.90 | 7.06 | 6.87 | 7.10 | 7.09 |
| Kansas City | - | 4.60 | 4.60 | 4.50 | 4.56 | 4.88 | 4.98 | 5.10 | 4.96 | 4.90 |
| Los Angeles | 8.33 | 8.37 | 8.46 | 8.56 | 8.54 | 8.40 | 8.43 | 8.46 | 8.53 | 8.64 |
| Milwaukee | 8.29 | 7.93 | 8.17 | 8.90 | 8.64 | 8.20 | 8.19 | 8.13 | 8.12 | 8.15 |
| Minneapolis | 5.19 | 5.29 | 5.94 | 6.08 | 6.00 | 5.92 | 6.01 | 6.18 | 6.30 | 6.27 |
| New Orleans | 5.11 | 5.23 | 5.21 | 5.22 | 5.34 | 5.35 | 5.30 | 5.20 | 5.49 | 5.54 |
| New York | 12.81 | 12.75 | 12.35 | 12.36 | 11.92 | 11.61 | 11.43 | 11.62 | 11.82 | 11.59 |
| Omaha | 5.24 | 5.79 | 6.21 | 6.37 | 6.10 | 6.19 | 6.31 | 6.46 | 6.39 | 6.41 |
| Philadelphia | 6.01 | 5.70 | 5.61 | 5.57 | 5.63 | 5.48 | 5.77 | 5.78 | 5.68 | 5.66 |
| Pittsburgh | 7.13 | 7.24 | 7.15 | 6.99 | 6.76 | 6.59 | 6.77 | 6.96 | 7.10 | 6.98 |
| Richmond | 5.31 | 5.58 | 5.86 | 6.32 | 6.47 | 6.63 | 6.59 | 6.44 | 6.24 | 6.63 |
| Saint Louis | 6.22 | 6.29 | 6.48 | 6.62 | 6.64 | 6.65 | 6.78 | 6.91 | 6.68 | 6.73 |
| Salt Lake City | 4.90 | 5.21 | 5.23 | 5.30 | 5.20 | 5.34 | 5.57 | 5.58 | 5.65 | 5.69 |
| San Francisco | 6.55 | 6.78 | 7.36 | 7.56 | 7.36 | 7.22 | 7.17 | 7.00 | 7.05 | 7.28 |
| Seattle | 5.33 | 5.28 | 5.30 | 5.05 | 5.07 | 5.07 | 5.31 | 5.56 | 5.62 | 5.65 |
| Tulsa | 6.21 | 6.31 | 6.51 | 6.34 | 6.28 | 6.38 | 6.58 | 6.86 | 6.95 | 6.79 |

| | 1936 Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Atlanta | $7.03 | $7.16 | $7.15 | $7.20 | $7.23 | $7.17 | $7.22 | $7.21 | $7.29 | $7.15 | $6.89 | $6.75 |
| Baltimore | 5.92 | 5.94 | 5.95 | 5.91 | 5.89 | 5.93 | 5.85 | 5.60 | 5.76 | 5.81 | 6.18 | 6.20 |
| Birmingham | 5.01 | 5.03 | 5.06 | 4.98 | 5.13 | 5.15 | 5.13 | 5.27 | 5.28 | 5.20 | 5.18 | 5.50 |
| Boston | 7.40 | 7.42 | 7.31 | 7.29 | 7.30 | 7.25 | 7.23 | 7.09 | 7.05 | 7.20 | 7.30 | 7.55 |
| Chicago | 9.38 | 9.38 | 9.46 | 9.44 | 9.45 | 9.53 | 9.41 | 9.67 | 9.32 | 9.80 | 10.11 | 9.25 |
| Cincinnati | 8.34 | 8.38 | 8.53 | 8.68 | 8.83 | 8.93 | 9.11 | 9.50 | 9.53 | 9.54 | 9.83 | 9.70 |
| Cleveland | 8.07 | 8.13 | 8.30 | 8.40 | 8.59 | 8.75 | 8.69 | 9.28 | 9.27 | 9.48 | 9.53 | 9.60 |
| Columbus | 5.53 | 5.65 | 5.79 | 5.95 | 6.07 | 6.23 | 6.42 | 6.71 | 6.83 | 7.07 | 7.25 | 7.25 |
| Denver | 6.08 | 6.21 | 6.26 | 6.28 | 6.36 | 6.48 | 6.54 | 6.46 | 6.59 | 6.77 | 7.05 | 7.14 |
| Detroit | 8.35 | 8.32 | 8.29 | 8.40 | 8.55 | 8.51 | 8.09 | 8.49 | 9.03 | 9.04 | 9.31 | 9.35 |
| Houston | 7.22 | 7.21 | 7.35 | 7.50 | 7.62 | 7.81 | 7.85 | 8.29 | 8.40 | 8.62 | 9.15 | 8.84 |
| Kansas City | 5.04 | 5.02 | 5.05 | 5.10 | 5.09 | 5.05 | 5.03 | 5.05 | 5.07 | 5.05 | 4.94 | 5.03 |
| Los Angeles | 8.68 | 8.72 | 8.74 | 9.04 | 9.18 | 9.28 | 9.25 | 10.05 | 9.85 | 10.34 | 10.62 | 11.12 |
| Milwaukee | 8.15 | 7.99 | 7.98 | 8.03 | 8.00 | 8.10 | 7.73 | 8.38 | 8.23 | 8.56 | 8.98 | 9.08 |
| Minneapolis | 6.42 | 6.42 | 6.49 | 6.56 | 6.67 | 6.67 | 6.64 | 6.78 | 6.85 | 6.85 | 6.85 | 6.99 |
| New Orleans | 5.64 | 5.65 | 5.74 | 5.90 | 5.98 | 6.10 | 6.05 | 6.13 | 6.34 | 6.55 | 6.78 | 6.24 |
| New York | 11.52 | 11.59 | 11.52 | 11.69 | 11.71 | 11.77 | 11.99 | 12.14 | 12.38 | 12.43 | 12.12 | 11.77 |
| Omaha | 6.46 | 6.40 | 6.47 | 6.44 | 6.42 | 6.50 | 6.37 | 6.50 | 6.47 | 6.52 | 6.27 | 6.22 |
| Philadelphia | 5.70 | 5.70 | 5.75 | 5.90 | 5.95 | 5.97 | 6.11 | 6.30 | 6.30 | 6.19 | 6.49 | 6.85 |
| Pittsburgh | 7.10 | 7.12 | 7.26 | 7.39 | 7.59 | 7.67 | 7.95 | 8.33 | 8.28 | 8.28 | 8.33 | 8.51 |
| Richmond | 6.71 | 6.86 | 6.85 | 6.90 | 6.96 | 7.07 | 7.11 | 7.10 | 7.39 | 7.69 | 7.98 | 8.88 |
| Saint Louis | 6.79 | 6.82 | 6.76 | 6.82 | 6.65 | 6.86 | 6.81 | 6.84 | 6.93 | 6.86 | 7.15 | 7.30 |
| Salt Lake City | 5.78 | 5.79 | 5.90 | 5.94 | 5.97 | 6.00 | 6.15 | 6.11 | 6.08 | 6.04 | 5.94 | 6.45 |
| San Francisco | 7.26 | 7.31 | 7.29 | 7.36 | 7.54 | 7.70 | 7.41 | 7.70 | 8.18 | 8.52 | 8.97 | 9.01 |
| Seattle | 5.55 | 5.45 | 5.51 | 5.70 | 5.96 | 6.09 | 6.19 | x | x | x | x | 6.40 |
| Tulsa | 6.84 | 6.95 | 7.06 | 7.14 | 7.12 | 7.26 | 7.38 | 7.52 | 7.34 | 7.45 | 7.41 | 7.27 |

| | 1937 Jan. | Feb. | Mar. | Apr. | May | June | July | *Aug. |
|---|---|---|---|---|---|---|---|---|
| Atlanta | $6.99 | $7.50 | $7.47 | $7.56 | $7.37 | $7.33 | $7.33 | $7.65 |
| Baltimore | 6.05 | 5.96 | 6.22 | 6.74 | 7.84 | 7.50 | 7.11 | 6.97 |
| Birmingham | 5.70 | 6.13 | 5.93 | 6.19 | 6.41 | 6.60 | 6.59 | 6.54 |
| Boston | 7.19 | 7.48 | 7.55 | 7.91 | 8.58 | 8.64 | 8.98 | 8.17 |
| Chicago | 9.85 | 9.83 | 10.31 | 10.55 | 10.62 | 10.56 | 11.11 | 10.59 |
| Cincinnati | 9.98 | 10.12 | 10.49 | 10.79 | 11.29 | 11.18 | 10.60 | 10.50 |
| Cleveland | 9.65 | 9.62 | 9.82 | 9.95 | 10.40 | 10.62 | 10.25 | 9.75 |
| Columbus | 7.64 | 7.86 | 8.22 | 8.44 | 8.54 | 8.65 | 8.60 | 8.48 |
| Denver | 7.75 | 7.85 | 8.23 | 8.20 | 8.40 | 8.02 | 7.93 | 7.91 |
| Detroit | 9.59 | 9.90 | 9.80 | 9.91 | 10.57 | 11.34 | 11.20 | 11.09 |
| Houston | 8.92 | 8.92 | 9.55 | 9.20 | 9.00 | 9.10 | 9.15 | 8.85 |
| Kansas City | 5.23 | 5.55 | 5.55 | 5.65 | 5.46 | 5.49 | 5.57 | 5.78 |
| Los Angeles | 11.13 | 11.46 | 11.73 | 11.81 | 12.16 | 11.72 | 11.66 | 10.87 |
| Milwaukee | 9.14 | 8.81 | 8.72 | 8.54 | 8.72 | 9.90 | 10.16 | 10.40 |
| Minneapolis | 7.18 | 6.53 | 7.21 | 7.41 | 7.74 | 7.98 | 7.97 | 7.89 |
| New Orleans | 5.81 | 5.90 | 6.63 | 7.07 | 7.32 | 7.15 | 7.13 | 6.84 |
| New York | 12.60 | 13.29 | 14.21 | 14.29 | 14.19 | 14.08 | 14.02 | 13.35 |
| Omaha | 6.30 | 6.53 | 6.21 | 6.35 | 6.69 | 7.03 | 8.90 | 6.94 |
| Philadelphia | 7.22 | 7.06 | 7.33 | 7.36 | 7.40 | 7.54 | 7.70 | 7.95 |
| Pittsburgh | 9.17 | 9.21 | 9.40 | 9.26 | 9.68 | 10.42 | 10.65 | 10.71 |
| Richmond | 8.52 | 7.82 | 7.26 | 7.34 | 8.06 | 8.30 | 8.70 | 8.49 |
| Saint Louis | 7.44 | 7.59 | 7.60 | 7.60 | 7.89 | 7.88 | 7.34 | 7.58 |
| Salt Lake City | 6.86 | 7.05 | 7.04 | 6.99 | 6.82 | 6.61 | 6.49 | 6.60 |
| San Francisco | 8.99 | 9.37 | 9.64 | 9.83 | 10.30 | 10.90 | 10.58 | 10.32 |
| Seattle | 6.58 | 6.49 | 6.59 | 6.69 | 7.04 | 7.14 | 7.26 | 7.24 |
| Tulsa | 7.42 | 7.65 | 8.23 | 8.74 | 8.84 | 8.45 | 8.17 | 8.35 |

## HEATED APARTMENT UNITS

| | 1935 Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|
| Atlanta | 9.80 | 9.95 | 10.25 | 9.88 | 9.88 | 9.88 | 10.11 | 9.99 | 10.23 | 10.26 |
| Baltimore | 11.30 | 11.78 | 12.02 | 11.70 | 11.68 | 11.75 | 11.95 | 12.20 | 11.59 | 11.55 |
| Birmingham | 8.45 | 8.46 | 8.29 | 8.25 | 8.11 | 8.01 | 8.08 | 8.30 | 8.30 | 8.30 |
| Boston | 11.97 | 12.26 | 10.99 | 10.33 | 10.96 | 11.59 | 11.95 | 12.19 | 11.90 | 12.08 |
| Chicago | 11.29 | 11.43 | 11.85 | 11.33 | 11.39 | 11.51 | 11.40 | 11.38 | 11.47 | 11.43 |
| Cincinnati | 10.67 | 10.51 | 10.13 | 9.86 | 10.23 | 10.41 | 10.47 | 10.70 | 10.86 | 11.06 |
| Cleveland | 9.28 | 9.45 | 9.71 | 9.18 | 9.25 | 9.34 | 9.25 | 9.51 | 9.76 | 9.83 |
| Columbus | 8.71 | 8.87 | 8.24 | 7.90 | 8.05 | 8.09 | 8.58 | 8.89 | 8.72 | 8.94 |
| Denver | 9.60 | 9.75 | 9.76 | 9.73 | 10.01 | 10.43 | 10.27 | 10.76 | 10.43 | 10.48 |
| Detroit | 10.27 | 10.17 | 10.16 | 10.00 | 10.06 | 10.17 | 10.24 | 10.43 | 10.25 | 10.35 |
| Houston | 8.30 | 8.66 | 8.13 | 7.06 | 7.54 | 7.77 | 7.86 | 7.77 | 7.91 | 7.86 |
| Kansas City | - | 6.92 | 6.72 | 6.44 | 6.44 | 6.70 | 6.59 | 6.81 | 6.73 | 6.64 |
| Los Angeles | 9.80 | 10.65 | 11.17 | 10.96 | 10.88 | 11.22 | 11.27 | 11.47 | 11.62 | 11.69 |
| Milwaukee | 9.68 | 9.74 | 9.91 | 9.70 | 9.66 | 10.03 | 10.09 | 10.20 | 9.89 | 9.90 |
| Minneapolis | 8.65 | 8.39 | 8.13 | 8.75 | 8.68 | 8.65 | 8.86 | 8.81 | 8.67 | 8.73 |
| New Orleans | 8.55 | 8.65 | 7.74 | 7.70 | 8.18 | 8.40 | 8.23 | 8.38 | 8.28 | 8.28 |
| New York | 16.94 | 17.49 | 17.56 | 18.34 | 17.82 | 17.85 | 17.80 | 17.69 | 17.60 | 17.67 |
| Omaha | 10.55 | 10.71 | 10.66 | 10.27 | 9.97 | 10.13 | 10.22 | 10.40 | 10.23 | 10.07 |
| Philadelphia | 14.46 | 13.80 | 13.51 | 13.41 | 13.67 | 13.82 | 13.77 | 13.92 | 13.11 | 13.03 |
| Pittsburgh | 8.98 | 9.46 | 10.01 | 9.83 | 9.59 | 9.20 | 9.64 | 9.76 | 10.00 | 9.77 |
| Richmond | 10.19 | 10.09 | 10.23 | 9.41 | 9.62 | 9.76 | 9.93 | 9.97 | 9.77 | 9.68 |
| Saint Louis | 8.60 | 8.72 | 8.75 | 9.19 | 9.71 | 9.81 | 9.86 | 9.81 | 9.72 | 9.84 |
| Salt Lake City | 9.11 | 9.27 | 9.55 | 9.40 | 9.29 | 9.06 | 9.31 | 9.38 | 9.40 | 9.36 |
| San Francisco | 10.17 | 10.47 | 10.56 | 10.85 | 10.94 | 11.40 | 11.48 | 11.69 | 11.41 | 11.49 |
| Seattle | 10.21 | 10.05 | 9.69 | 9.51 | 9.65 | 10.06 | 10.21 | 10.58 | 10.48 | 10.52 |

| | 1936 Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Atlanta | 10.28 | 10.20 | 10.32 | 10.31 | 10.45 | 10.34 | 10.20 | 10.35 | 10.21 | 10.13 | 10.04 | 9.96 |
| Baltimore | 11.49 | 11.48 | 11.23 | 11.21 | 10.98 | 10.85 | 10.64 | 10.50 | 10.26 | 9.95 | 9.26 | 9.20 |
| Birmingham | 8.29 | 8.36 | 8.40 | 8.53 | 8.55 | 8.60 | 8.80 | 8.97 | 8.77 | 8.80 | 8.59 | 8.92 |
| Boston | 12.30 | 12.30 | 12.30 | 12.23 | 12.20 | 12.05 | 12.70 | 12.20 | 11.49 | 11.09 | 9.80 | 10.72 |
| Chicago | 11.40 | 11.46 | 11.58 | 11.51 | 11.61 | 11.71 | 11.61 | 11.80 | 11.82 | 11.90 | 12.20 | 12.03 |
| Cincinnati | 11.26 | 11.36 | 11.47 | 11.69 | 11.63 | 11.91 | 12.33 | 12.40 | 12.44 | 12.67 | 12.70 | 12.20 |
| Cleveland | 10.10 | 10.09 | 10.15 | 10.40 | 10.60 | 10.67 | 11.00 | 11.27 | 11.57 | 11.68 | 11.53 | 11.36 |
| Columbus | 9.07 | 9.38 | 9.74 | 9.76 | 10.00 | 10.21 | 11.30 | 11.30 | 10.79 | 10.74 | 10.82 | 11.38 |
| Denver | 10.53 | 10.60 | 10.71 | 10.72 | 10.76 | 10.86 | 10.69 | 10.90 | 11.15 | 10.98 | 11.99 | 11.92 |
| Detroit | 10.49 | 10.40 | 10.59 | 10.61 | 10.59 | 10.65 | 10.69 | 10.81 | 10.88 | 10.90 | 10.46 | 10.74 |
| Houston | 8.00 | 8.12 | 8.26 | 8.53 | 8.70 | 8.78 | 9.47 | 9.31 | 9.50 | 9.87 | 10.12 | 10.69 |
| Kansas City | 6.68 | 6.73 | 6.78 | 6.73 | 6.68 | 6.68 | 6.79 | 6.74 | 6.86 | 6.71 | 6.90 | 6.85 |
| Los Angeles | 11.75 | 12.09 | 12.07 | 12.21 | 12.21 | 12.44 | 12.79 | 12.33 | 12.36 | 12.79 | 12.96 | 12.92 |
| Milwaukee | 9.88 | 9.85 | 9.73 | 9.85 | 9.64 | 9.51 | 9.70 | 9.40 | 9.34 | 9.06 | 9.05 | 9.13 |
| Minneapolis | 9.00 | 8.94 | 9.05 | 9.11 | 9.04 | 9.03 | 9.14 | 9.19 | 9.04 | 9.04 | 8.86 | 9.22 |
| New Orleans | 8.41 | 8.49 | 8.35 | 8.44 | 8.37 | 8.34 | 8.54 | 8.24 | 8.42 | 8.28 | 8.10 | 7.95 |
| New York | 17.58 | 17.56 | 17.57 | 17.57 | 17.67 | 17.80 | 17.74 | 17.88 | 17.68 | 18.05 | 18.22 | 18.72 |
| Omaha | 10.23 | 10.11 | 10.21 | 10.24 | 10.10 | 10.21 | 10.38 | 10.32 | 10.27 | 10.30 | 10.00 | 10.02 |
| Philadelphia | 13.07 | 13.10 | 12.95 | 12.85 | 12.82 | 12.82 | 12.85 | 12.76 | 13.11 | 13.87 | 13.48 | 14.44 |
| Pittsburgh | 9.91 | 9.92 | 9.96 | 10.02 | 10.03 | 10.02 | 9.99 | 10.49 | 10.11 | 10.16 | 9.95 | 9.72 |
| Richmond | 9.80 | 9.89 | 10.01 | 9.85 | 10.01 | 10.03 | 10.29 | 10.41 | 10.31 | 10.41 | 10.40 | 11.00 |
| Saint Louis | 9.79 | 10.04 | 10.07 | 9.96 | 9.89 | 9.95 | 9.76 | 9.74 | 9.79 | 10.04 | 10.23 | 10.57 |
| Salt Lake City | 9.45 | 9.33 | 9.40 | 9.45 | 9.45 | 9.45 | 9.30 | 9.37 | 9.19 | 9.21 | 8.90 | 8.94 |
| San Francisco | 11.59 | 11.44 | 11.39 | 11.49 | 11.30 | 11.38 | 11.49 | 11.22 | 11.30 | 11.30 | 11.42 | 11.81 |
| Seattle | 10.23 | 10.37 | 10.53 | 10.60 | 10.50 | 10.56 | 10.46 | x | x | x | x | 10.32 |

| | 1937 Jan. | Feb. | Mar. | Apr. | May | June | July | *Aug. |
|---|---|---|---|---|---|---|---|---|
| Atlanta | 9.45 | 9.36 | 9.70 | 10.20 | 10.62 | 10.36 | 10.32 | 10.16 |
| Baltimore | 9.55 | 9.54 | 9.32 | 9.64 | 10.28 | 10.60 | 10.66 | 10.54 |
| Birmingham | 8.90 | 8.95 | 8.69 | 8.74 | 8.83 | 9.10 | 9.54 | 9.61 |
| Boston | 9.83 | 10.20 | 9.77 | 10.06 | 9.53 | 9.49 | 9.70 | 9.39 |
| Chicago | 12.10 | 11.97 | 12.23 | 12.30 | 12.59 | 12.72 | 13.20 | 13.58 |
| Cincinnati | 12.20 | 12.12 | 12.50 | 12.92 | 13.12 | 13.22 | 13.67 | 13.30 |
| Cleveland | 11.81 | 11.71 | 11.70 | 12.08 | 13.68 | 14.56 | 14.62 | 14.35 |
| Columbus | 12.13 | 12.13 | 11.72 | 11.28 | 11.58 | 11.72 | 12.69 | 12.77 |
| Denver | 12.09 | 12.08 | 11.83 | 12.00 | 12.38 | 13.28 | 13.40 | 13.49 |
| Detroit | 11.32 | 11.45 | 11.58 | 11.69 | 12.00 | 12.50 | 13.18 | 13.70 |
| Houston | 10.50 | 11.03 | 10.60 | 11.08 | 11.08 | 11.12 | 11.51 | 11.49 |
| Kansas City | 7.11 | 7.12 | 7.05 | 7.11 | 7.09 | 7.09 | 7.04 | 7.18 |
| Los Angeles | 12.66 | 13.17 | 12.51 | 12.58 | 12.69 | 13.26 | 13.80 | 14.11 |
| Milwaukee | 9.65 | 10.00 | 10.30 | 10.62 | 10.87 | 11.11 | 11.51 | 11.78 |
| Minneapolis | 9.04 | 9.35 | 9.17 | 9.51 | 9.96 | 10.75 | 11.17 | 10.53 |
| New Orleans | 8.31 | 7.90 | 8.48 | 9.19 | 9.25 | 8.95 | 9.07 | 8.94 |
| New York | 18.84 | 18.90 | 19.00 | 19.08 | 19.48 | 20.22 | 20.10 | 19.72 |
| Omaha | 10.51 | 11.01 | 11.09 | 10.90 | 10.32 | 10.42 | 10.50 | 10.32 |
| Philadelphia | 14.75 | 15.64 | 14.98 | 14.50 | 14.22 | 14.09 | 14.92 | 15.02 |
| Pittsburgh | 9.90 | 10.19 | 10.48 | 11.09 | 12.22 | 13.28 | 13.30 | 12.69 |
| Richmond | 11.62 | 11.72 | 11.53 | 10.72 | 10.82 | 10.53 | 11.16 | 11.43 |
| Saint Louis | 10.29 | 10.38 | 9.71 | 9.90 | 9.79 | 10.04 | 10.40 | 10.11 |
| Salt Lake City | 9.12 | 9.40 | 9.99 | 10.54 | 10.80 | 11.07 | 10.80 | 10.60 |
| San Francisco | 12.28 | 12.43 | 12.90 | 13.19 | 13.39 | 13.70 | 14.00 | 14.02 |
| Seattle | 10.65 | 10.79 | 10.82 | 10.75 | 10.67 | 10.98 | 10.73 | 10.54 |

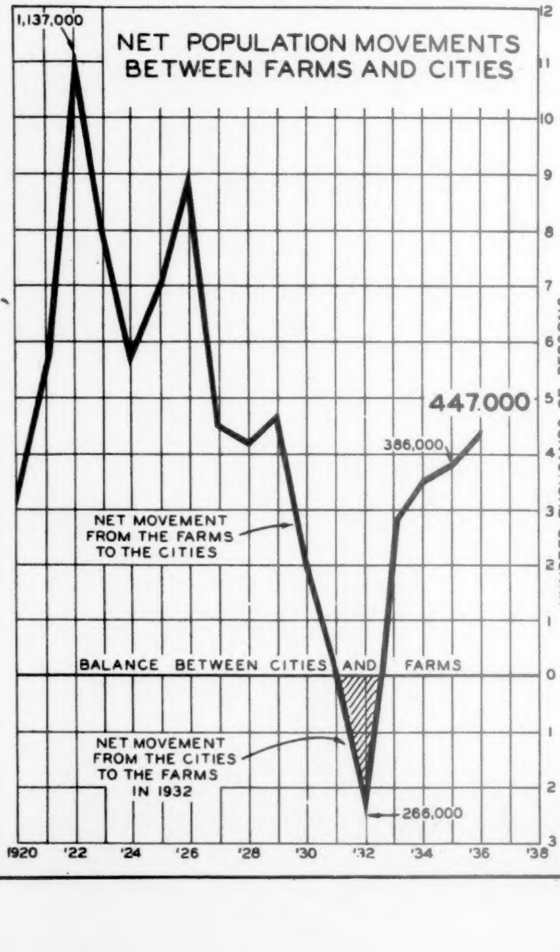
*Preliminary
xNewspaper strike

# POPULATION MOVEMENTS FROM FARM TO CITY

WE have just received from the United States Department of Agriculture the new figures for the migrations from city to farm and from farm to city during the year 1936. On the chart below we show the net movement between farms and cities each year from 1920 through 1936. These are net movements only. For instance, in 1922, 1,115,000 persons left the city for the farm, while 2,252,000 persons left the farm for the city, leaving a net movement to the city of 1,137,000 people. This is the figure charted below for 1922.

Back to the farm movements in America have occurred in every great depression. They have never been permanent, although at the time it was always thought that they represented a permanent reversal of the trend from the farm to the city. Newspaper editorials in the seventies during the great depression called attention to the fact that up to that time the cities had grown at the expense of the farms, but that cities had now grown so large that the movement had stopped and the movement would now be back to the land. In 1932 and 1933 similar editorials appeared in our newspapers. The administration in Washington officially announced a back to the farm movement and a decentralization program. It is rather ironical that at the time this program was announced the movement had already changed and was back to the cities, as can be seen on the chart below.

Back to the farm movements can never be permanent as we have a fairly fixed demand for food products with a constant reduction in the number of man hours necessary per acre to grow and harvest food crops. We pointed this out in our reports in 1933. The Bureau of Agricultural Economics of the Department of Agriculture made a special study in Ford County, Kansas, and they found that in 1919 it took about nine hours per acre to grow and harvest wheat. In 1933 this was reduced to 2.3 man hours per acre. According to these figures, wheat can be grown in Kansas with one-fourth the number of man hours it required in 1919.



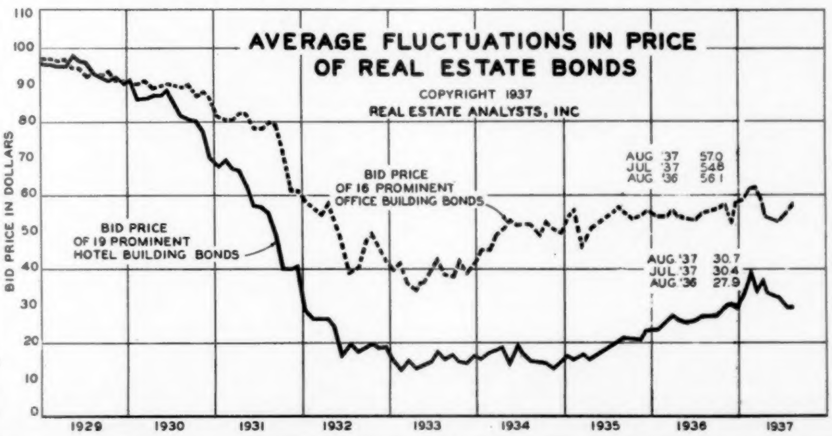

During every great depression it appears that labor saving machinery has reduced the opportunities for employment in the cities. This has been true from the very beginning of the Industrial Revolution in England. In each of the early depressions there we read accounts of mobs breaking into the factories and smashing the power looms which they blamed for their unemployment. We differ with many, as we believe that the machine and technological improvements increase the demand for skilled labor and that such a thing as a permanent unemployment problem, due to the machine is impossible. In the last analysis, the wealth of a country does

not consist of the amount of gold it has hoarded in the ground. It does not consist in its paper certificates or its bonds. It consists primarily in its producing capacity and this producing capacity depends almost entirely upon the degree of mechanization in its industry. High standards of living in the United States in relation to the rest of the world are possible because the United States can manufacture more per man than any other country in the world, due to our use of machinery.

The Brookings Institute in their recent report on the producing capacity in America arrived at the opinion that in place of having excess capacity, production would have to be increased by 75% if enough goods were to be manufactured to allow each family in the United States only a reasonable standard of living. Although our distribution system was broken down badly during this depression, we should remember that we can never distribute more than we produce. "Want in the midst of plenty can never be remedied by destroying the plenty." We believe it will be found as we pull out of this depression that the opportunities for employment in the cities are greater than they have ever been before, and that cities will continue to grow at the expense of rural communities. We believe that urban real estate offers a far greater opportunity for enhancement in value than rural real estate.

## CENSUS FIGURES ON POPULATION AND FAMILIES

| YEAR | POPULATION | | | FAMILIES | | |
|---|---|---|---|---|---|---|
| | Total | Urban | Rural | Total | Urban | Rural |
| 1790 | 3,929,214 | 131,472 | 3,797,742 | | | |
| 1800 | 5,308,483 | 210,873 | 5,097,610 | | | |
| 1810 | 7,239,881 | 356,920 | 6,882,961 | | | |
| 1820 | 9,638,453 | 475,135 | 9,163,318 | | | |
| 1830 | 12,866,020 | 864,509 | 12,001,511 | | | |
| 1840 | 17,069,453 | 1,453,994 | 15,615,459 | | | |
| 1850 | 23,191,876 | 2,897,586 | 20,294,290 | 3,598,240 | | |
| 1860 | 31,443,321 | 5,072,256 | 26,371,065 | 5,210,934 | | |
| 1870 | 38,558,371 | 8,071,875 | 30,486,496 | 7,579,363 | | |
| 1880 | 50,155,783 | 14,772,438 | 35,383,345 | 9,945,916 | | |
| 1890 | 62,947,714 | 22,720,223 | 40,227,491 | 12,690,152 | 4,591,490 | 8,098,662 |
| 1900 | 75,994,575 | 30,797,185 | 45,197,390 | 16,187,715 | 6,609,058 | 9,578,657 |
| 1910 | 91,972,266 | 42,623,383 | 49,348,883 | 20,255,555 | 9,499,765 | 10,755,790 |
| 1920 | 105,710,620 | 54,304,603 | 51,406,017 | 24,351,676 | 12,803,047 | 11,548,629 |
| 1930 | 122,775,046 | 68,954,823 | 53,820,223 | 29,904.663 | 17,372,524 | 12,532,139 |




THE chart to the left shows the fluctuations in the bid prices of office and hotel building bonds. Office building bonds are recovering from the sympathetic slump which they experienced during the general weakness in the security market. Hotel building bonds are still down.

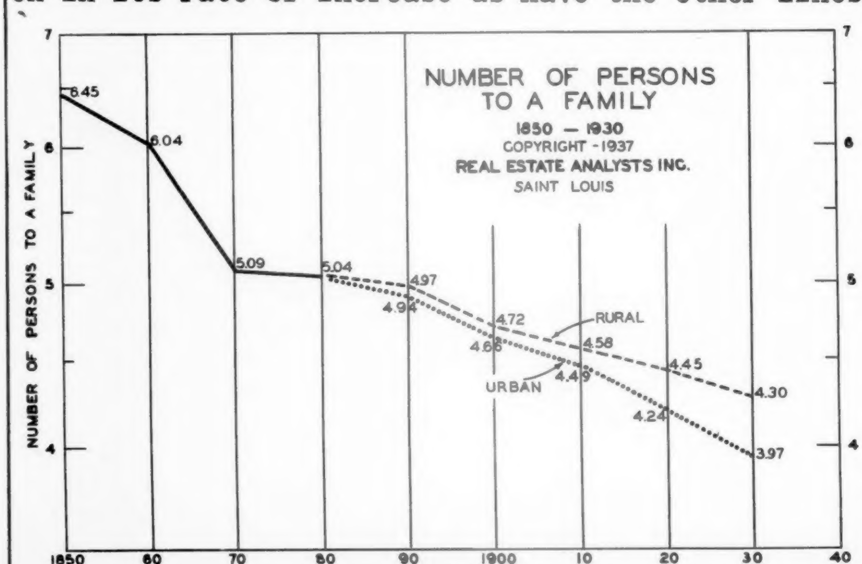
# RATE OF POPULATION GROWTH AND REAL ESTATE

MUCH has been written in the past few years to the effect that the United States is gradually approaching a stabilized population, that we can no longer expect the population growth in this country which we have had during the past hundred and forty years. This is often given as a reason for believing that real estate cannot expect increases in value in the future comparable to those of the past.

There can be no question of the fact that the rate of increase of population in the United States has decreased each ten years since 1870. This can be seen by following the top line on the accompanying chart. This line shows total population of the United States as enumerated by the Bureau of the Census each ten years from 1790 to the present. If the original rate of increase had continued, this line on our chart would have been straight rather than the curve gradually approaching the horizontal line of a stabilized population.

From the standpoint of real estate, however, our study becomes more interesting when we separate population figures into rural and urban population. By urban population the Bureau of the Census means all persons living in incorporated places with more than 2,500 population. It will be noticed by studying the second and third lines from the top of this chart that the rate of increase for rural population has been slowing down far more rapidly than the rate for urban population, and that it will shortly stabilize and will then probably start to drop. On the other hand urban population is still increasing at a fairly rapid rate.

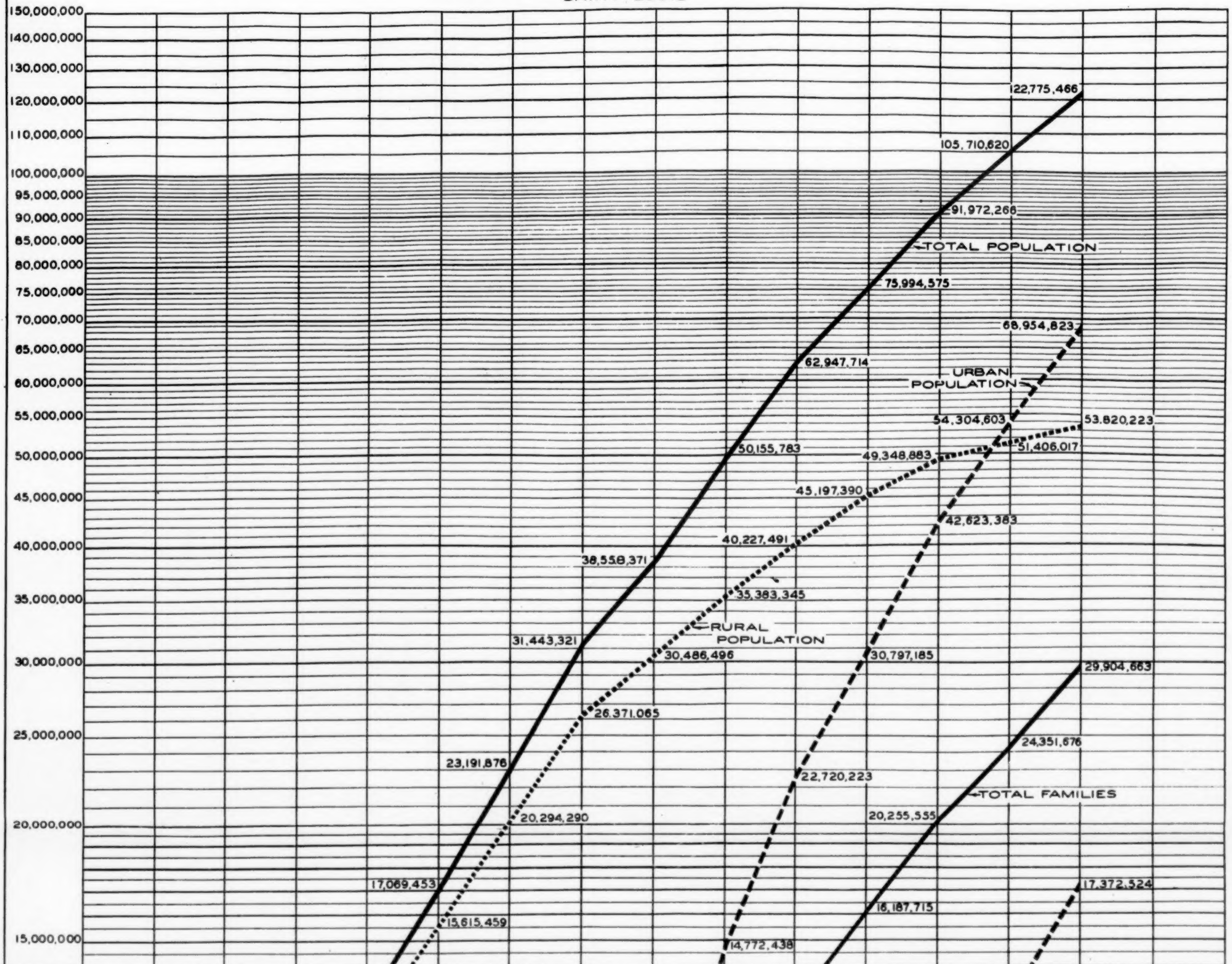
The bottom three lines on the chart show the same information for the number of families enumerated in each census. No family information was available before the census of 1850. Due to the fact that the size of the family over the entire period from 1850 to the present has been shrinking, a thousand people today constitute more families by far than they did in 1850. This has, from the standpoint of house-occupying units, offset to some extent the slowing down in population growth. It will be noticed that the bottom line on the chart indicating the number of urban families in our population has not shown the same tendency to slacken in its rate of increase as have the other lines. Even the rural family line has not been slowing down as rapidly as our rural population line.

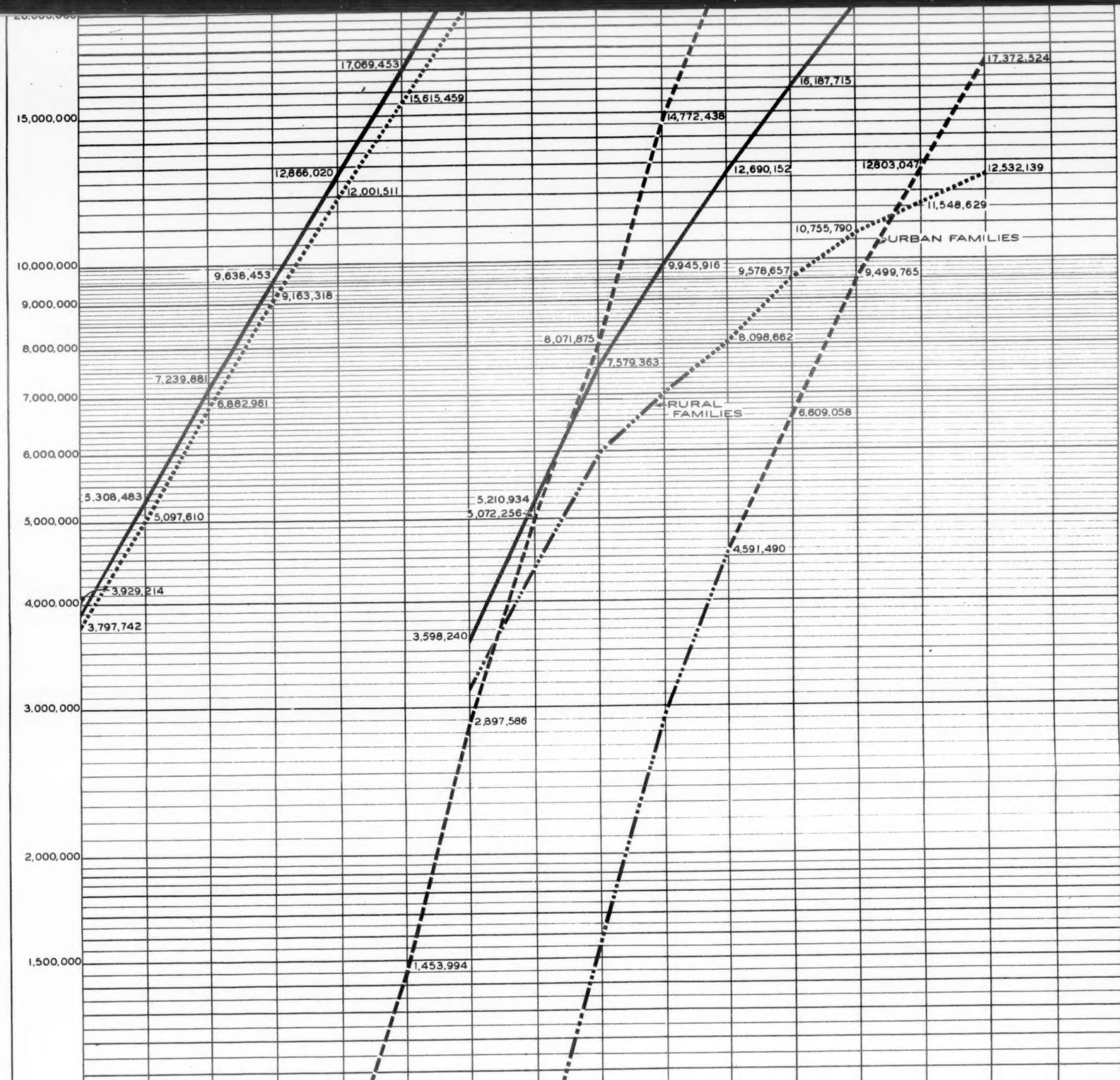


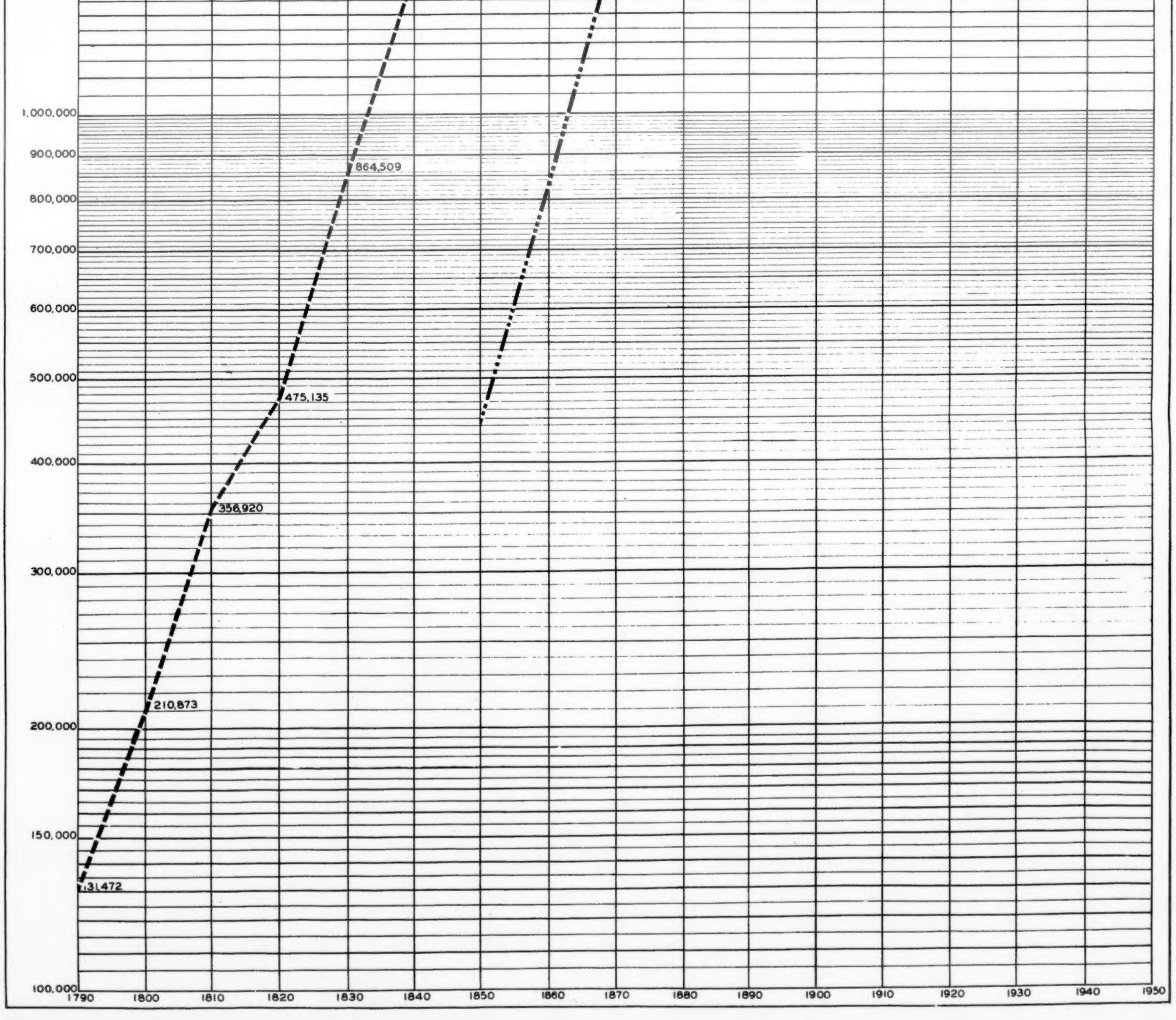

This chart represents one of the reasons why we are more optimistic for the future of urban real estate than we are for the future of farm real estate. We are inclined to believe that in the future farms will be consolidated and that larger and larger units (continued on page 780)

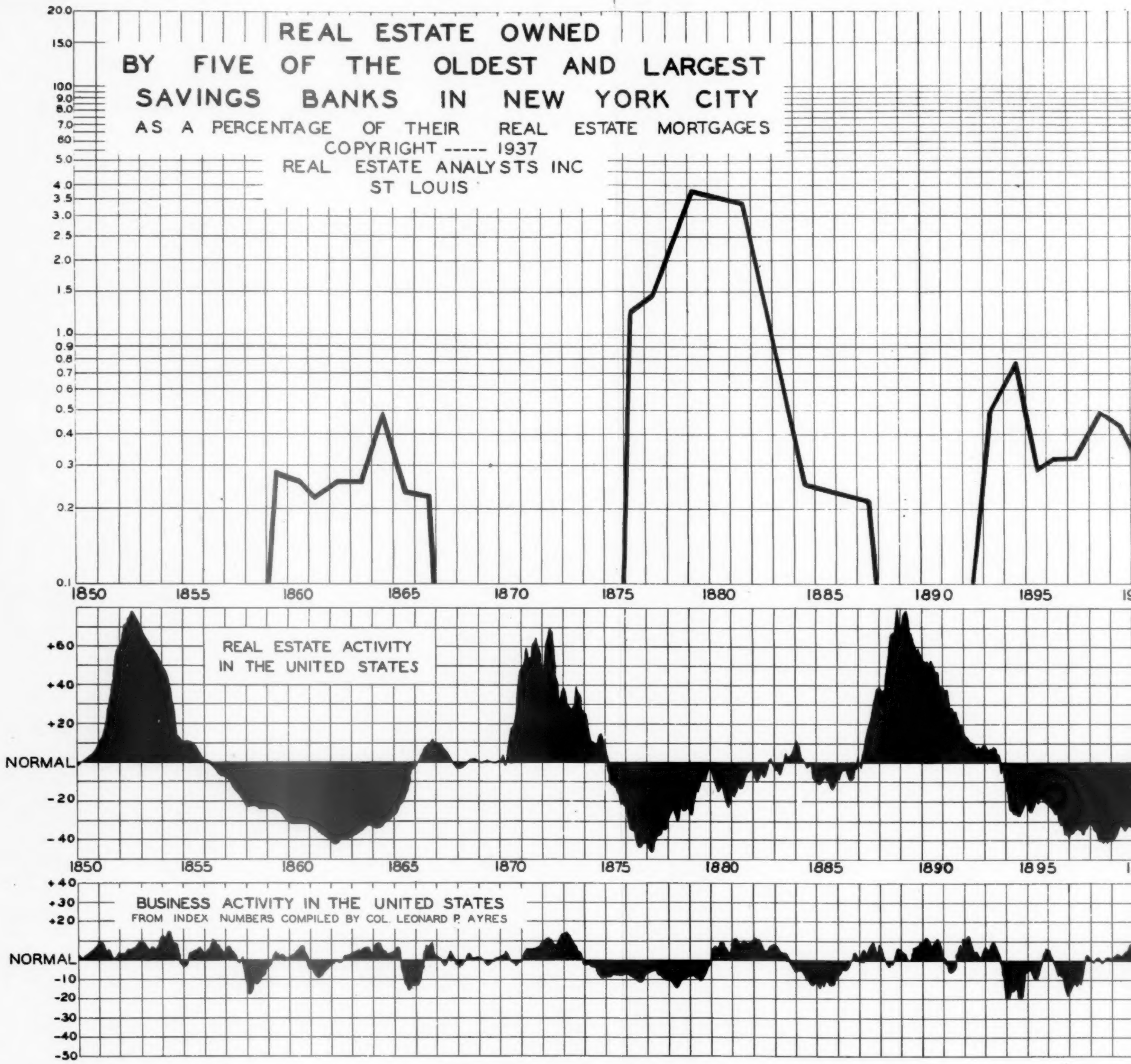
# NUMBER OF PERSONS AND FAMILIES IN THE UNITED STATES
## 1790–1930



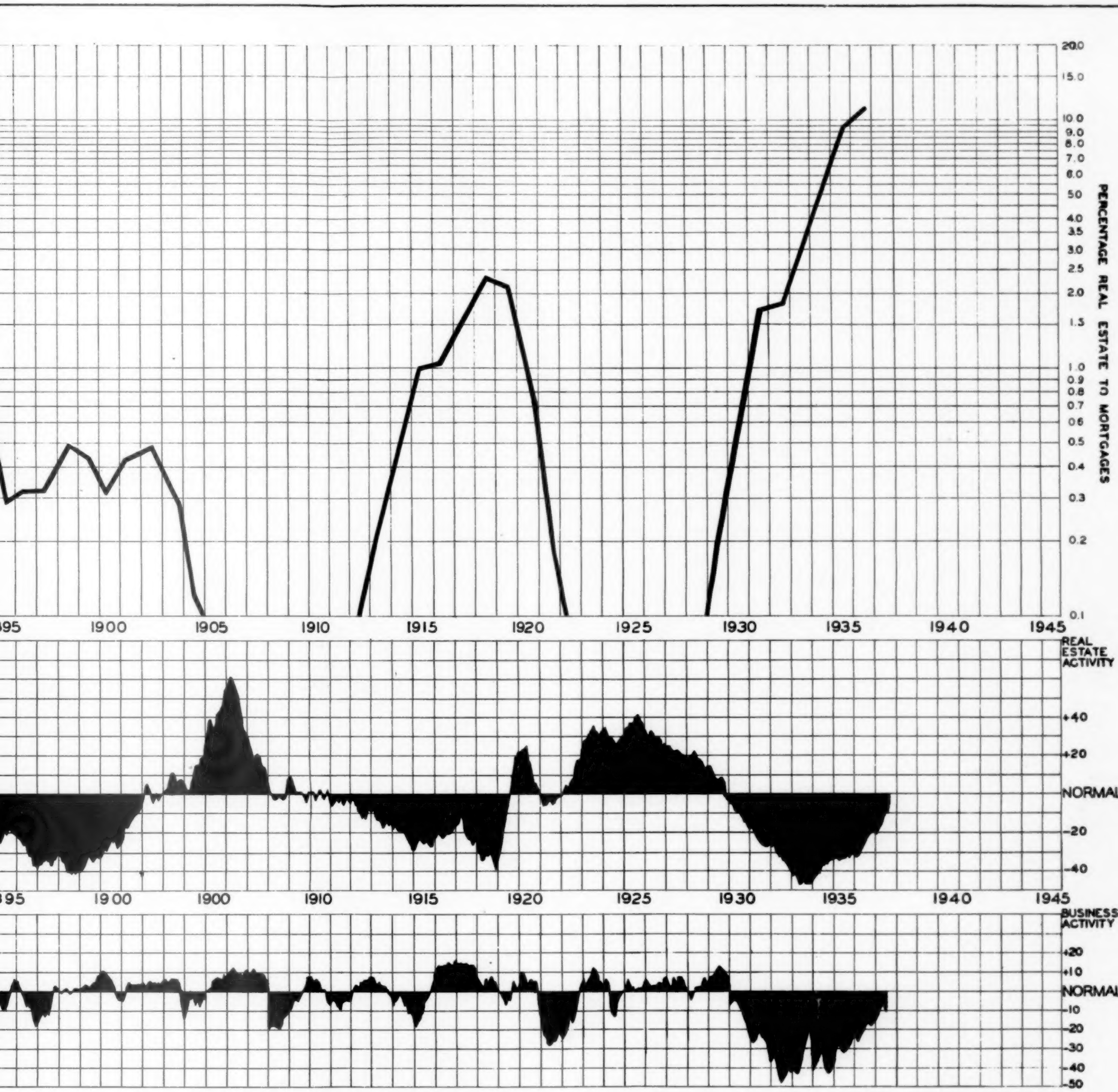



20,000,000
15,000,000
10,000,000
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,500,000
17,069,453
15,615,459
12,866,020
12,001,511
9,638,453
9,163,318
7,239,881
6,882,961
5,308,483
5,097,610
3,929,214
3,797,742
14,772,438
16,187,715
12,690,152
9,945,916
8,071,875
7,579,363
5,210,934
5,072,256
3,598,240
2,897,586
1,453,994
17,372,524
12803,047
12,532,139
11,548,629
10,755,790
URBAN FAMILIES
9,578,657
9,499,765
8,098,662
RURAL FAMILIES
6,609,058
4,591,490


1,000,000
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
150,000
100,000
864,509
475,135
356,920
210,873
131,472
1790
1800
1810
1820
1830
1840
1850
1860
1870
1880
1890
1900
1910
1920
1930
1940
1950




THE chart above shows the results of a study we have just completed of the real estate taken over during depressions by five of the largest and oldest savings banks in New York City. Each of these banks furnished us with information over the entire period of its history on the total volume of real estate loans and the amount of real estate owned each year. In this study we have shown on the upper part of the chart the percentage of real estate owned each year of the total volume of real estate mortgages held. On the central portion of this chart we have shown the real estate cycle with real estate booms and depressions from 1850 to the present. On the bottom part of the chart we have shown the general




business cycle as depicted by Colonel Leonard P. Ayres over the same period of time. We believe it is quite interesting that real estate was taken over by the banks, not during general business depressions, but during real estate depressions, and that there seems to be very little relationship between the general business line and the real estate owned line; while on the other hand, the relationship between the real estate owned line and the real estate cycle is quite marked. It will be noticed that in every real estate depression real estate owned has increased markedly; and on the other hand, as the real estate depression mitigated and the real estate boom developed, the banks were able to liquidate all of the real

(continued from page 779)
estate they had taken over during the preceding depression. When the final figures for 1937 are available, they will show that the amount of real estate owned by these five banks has dropped. We are confident that the line will fall rapidly during the next few years as real estate activity reaches, then passes the normal line.

We are making, at the present time, a similar study on real estate owned by many of the larger life insurance companies. It seems to us from a study of this chart and from the other data in our files that mortgagees are quite safe in the period of the next few years. The cycle is now so definitely up that almost any reasonable loan will work out. We see no danger at the present time in 80% amortized loans provided the appraisal is honest. But we do see very grave danger if this policy of 80% loans is continued past the period where we can expect the natural improvement in business to increase prices of real estate.

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(continued from page 774)
will be worked with fewer and fewer men. This is discussed to some extent on page 772 in this report.

The small chart in the lower left hand corner of page 774 shows the constant drop in the number of persons in the family from 1850 to the last census enumeration in 1930. Prior to 1880, it was not possible for us to secure separate figures on urban and rural families. It will be noticed that in 1850 the average family in the United States contained 6.45 persons. In 1930 the average urban family in the United States had shrunk to 3.97 persons. In 1850 each thousand persons in our population required 155 housing accommodations. In 1930 each thousand persons in our cities required 252 family accommodations. In other words, in 1930 it required 62.6% more family accommodations to house a thousand people than it did in 1850. Even on the farm where families are larger, it requires 50.3% more family accommodations to house a thousand people today than it did in 1850.

In conclusion, it seems to us that the cities will continue to grow at the expense of the farm. It also seems to us that the family cannot decrease very much further and that in the future we cannot expect the compensation from the smaller families which we have had during the past sixty years. We are inclined to believe that, everything else being equal, the average store property will not increase quite as rapidly as it has in the past.

Residential properties are not greatly affected by the rapidity of population growth. Outside of New York and a few other highly congested centers where land values even for residential use have gone quite high, we find relatively little relationship between the rapidity of population growth and the price per front foot of property suitable for residential development. A slow, normal growth seems to make the maintenance of average front foot values possible in the average city. Apartment property sites, of course, depend on the concentration of population. But with the exception of two or three cities in the United States, a relatively small percentage of available land can be used for apartment sites.

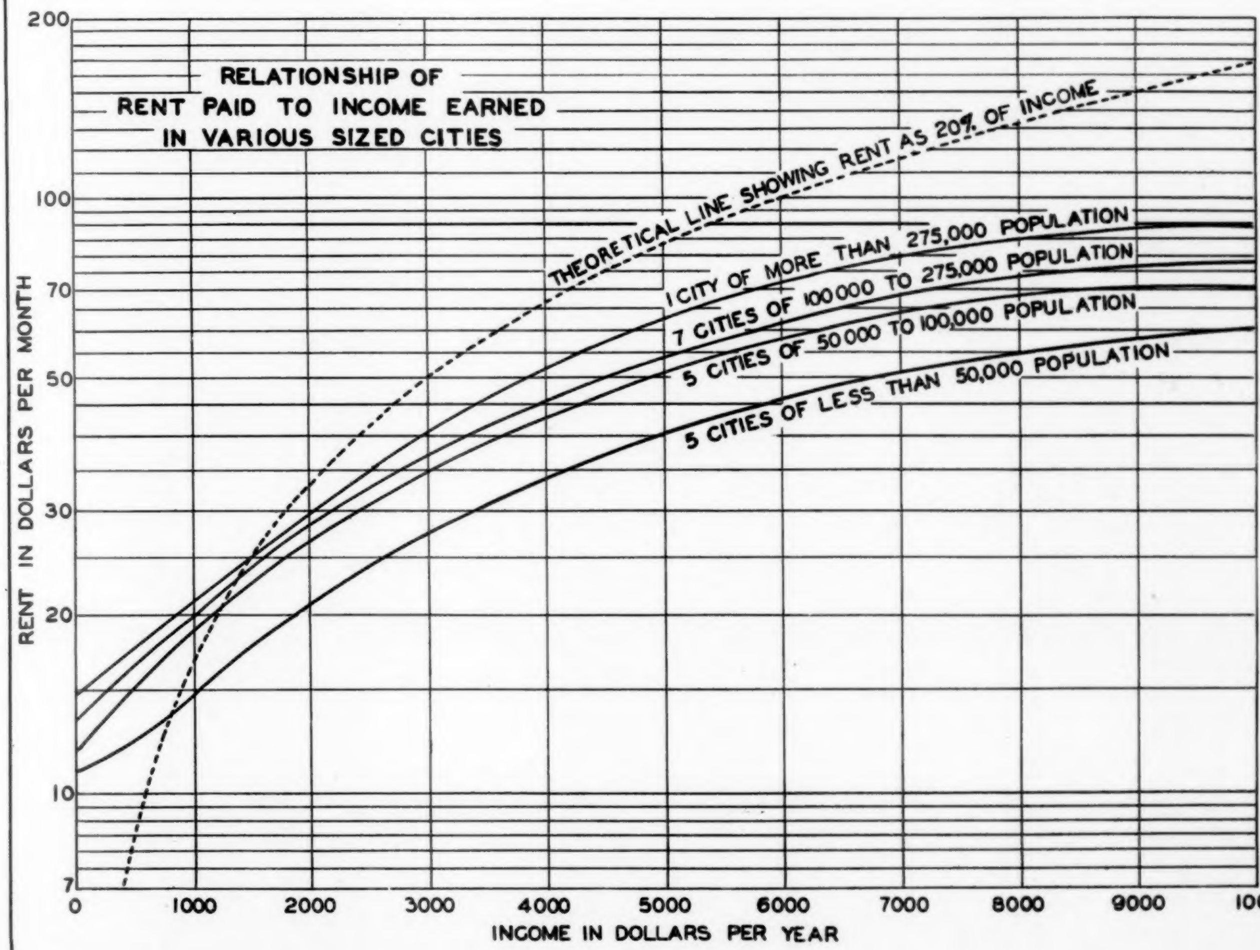
We believe that the fact that we are in a period of rising costs will cause all prices, commodities and real estate to advance, carrying many properties to new peaks in spite of slower population growth.

# WHAT PERCENTAGE OF INCOME IS PAID FOR RENT?

We have often seen statements that rent should not exceed 20% of the annual income and in many budgets which have been made up, 20% has been assumed to be the proper percentage for housing.

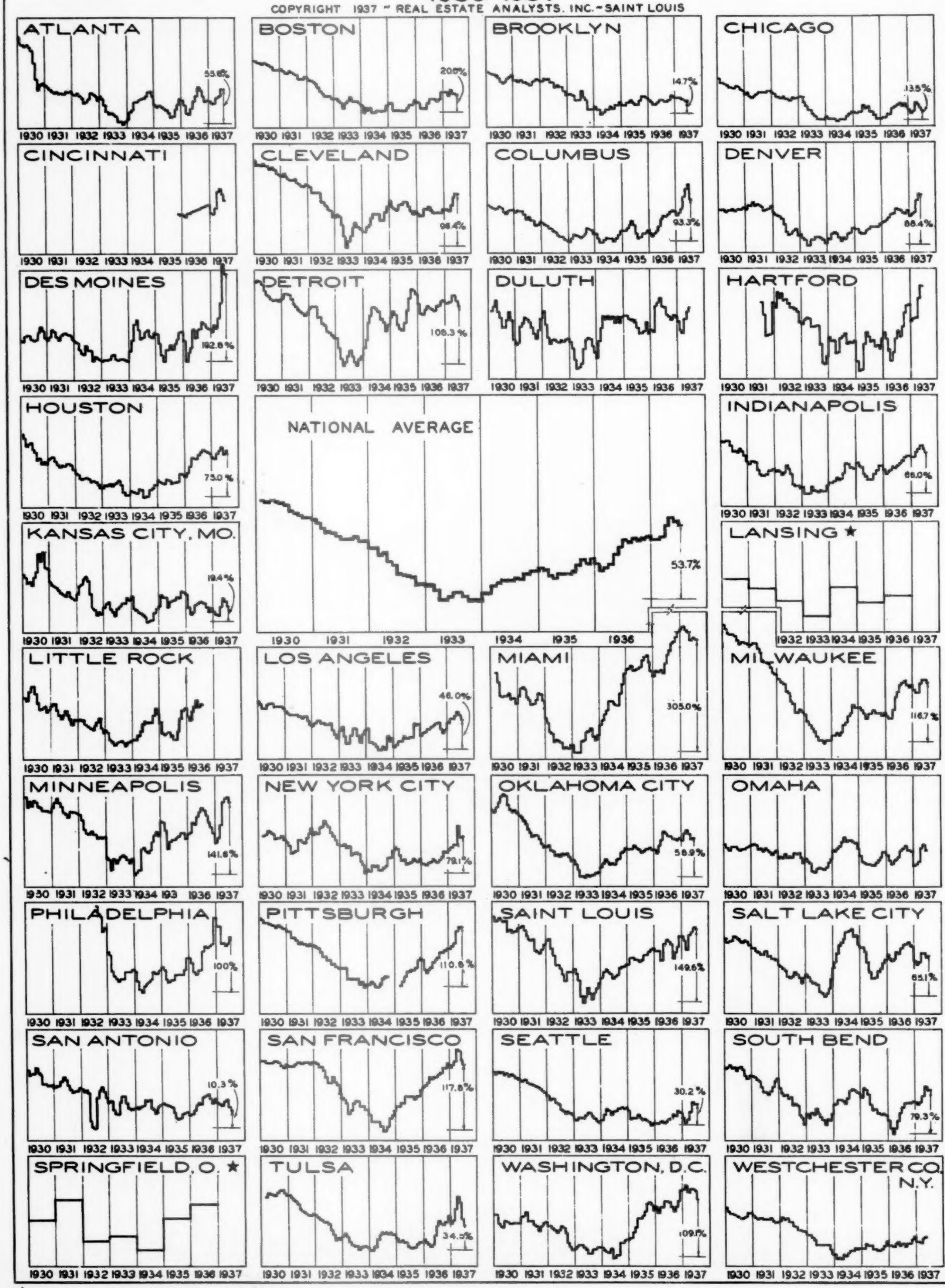
The chart below shows an effort we have made to study this problem. The scale along the bottom of the chart shows the annual income in dollars. The scale on the left hand side of the chart shows the rent paid in dollars per month. The figures which were used in compiling this study were ones collected by the government in various cities in the year 1933. We believe that the percentage of income paid for rent in 1933 was probably smaller than in later years or in years before the depression, as the index of rents declined further than the index of wages.

The regular curve shown by the dotted line on the chart shows the monthly rent which would form 20% of the annual income. The other lines show smoothed curves plotted from the government surveys. It can readily be seen that those with small incomes paid a larger percentage for rent than 20% and that those with larger incomes paid a smaller percentage for rent than 20%. It can also be seen quite clearly that those people living in smaller cities paid a smaller percentage of their income for rent than those living in larger cities, and that rents apparently increase as the size of the city increases.



# REAL ESTATE TRANSFERS IN PRINCIPAL CITIES
## 1930-1937

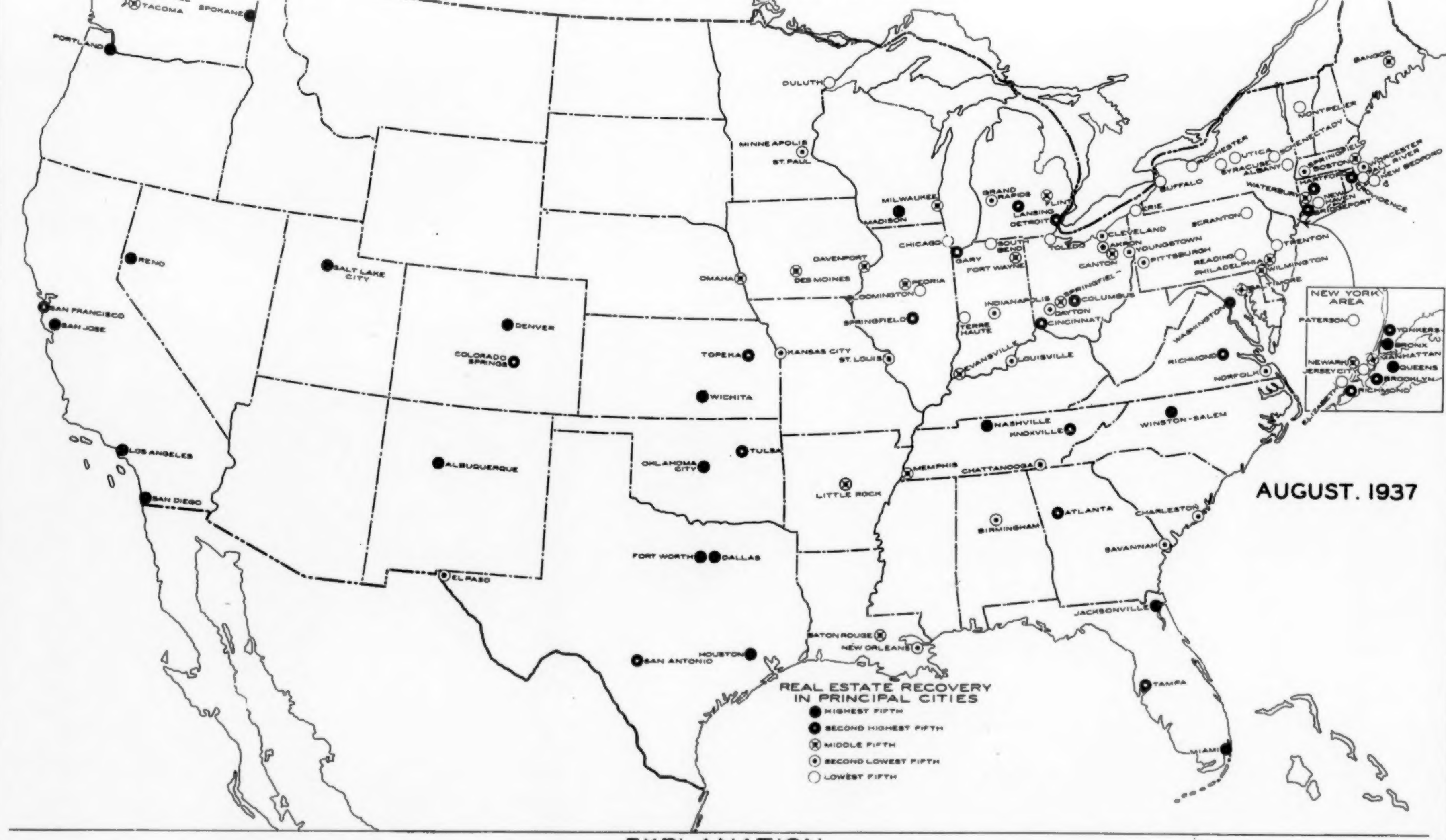





★ MONTHLY FIGURES NOT AVAILABLE

# RANKING OF PRINCIPAL AMERICAN CITIES IN THE DEGREE OF REAL ESTATE RECOVERY






## EXPLANATION

Each city is ranked, not on degree of real estate activity it is having at the time, but upon the way it ranks with other cities for the month. If real estate activity in any city should increase by 20% but the average increase for the country should be 30% in the same period, the ranking of that city would fall. On the other hand, if real estate activity in some city should decrease 10% and the average for the United States should fall 20% in the same period, the ranking of this city would rise.

Regardless of the amount of improvement in the real estate situation during the next few years one fifth of the cities on the map will still appear in each group. During a depression this map will show where it is least severe and during a boom where it is most intense.